



Strategic Management And Technology In An Organization

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Abstract: The field of strategic management has long been divided between two dominant perspectives: the "planning", emphasizing deliberate, rational decision-making, and the "pattern", focusing on emergent strategies arising from complex interactions and environmental adaptation. This paper argues that a comprehensive understanding of strategic management necessitates integrating these seemingly disparate approaches. Such integration, however, presents significant methodological challenges, particularly in capturing the dynamic interplay between planned and emergent processes. Longitudinal, detailed data at both firm and industry levels are crucial for unraveling path dependencies and clarifying the causal relationships between strategic actions and outcomes. Addressing the inherent causal ambiguity and measurement difficulties associated with key strategy variables is essential for advancing the field. This research proposes a framework for bridging the planning-pattern divide, emphasizing the importance of dynamic capabilities and acknowledging the complex interplay of intentionality and emergence in shaping organizational strategy.

Index Terms - Strategic Management, Organizational Strategy, Planning, Pattern, Corporate.

I. INTRODUCTION

Strategic management research has traditionally been bifurcated into two distinct schools of thought: the "planning" school and the "pattern" school. The planning school, rooted in rational decision-making models, emphasizes deliberate, analytical processes, formal planning, and the implementation of predetermined strategies (Leiblein et al., 2018). Proponents of this perspective view strategic management as a linear, top-down process where organizations analyze their environment, set clear objectives, and develop detailed plans to achieve them (Hitt et al., 2005). Conversely, the pattern school emphasizes the emergent nature of strategy, recognizing that strategies often arise from complex interactions, unplanned events, and adaptation to changing circumstances (Woodside et al., 2018). This perspective highlights the role of organizational learning, experimentation, and bottom-up initiatives in shaping strategic direction (Thomé & Medeiros, 2016).

While these two perspectives offer valuable insights, their separation has created a fragmented understanding of strategic management. The planning school often overlooks the dynamic and unpredictable nature of competitive landscapes, while the pattern school may downplay the importance of intentional direction and proactive decision-making. This paper argues that a more complete and nuanced understanding of strategic management requires integrating these seemingly opposing viewpoints. Recognizing the interplay between planned and emergent processes is crucial for capturing the complexities of how organizations formulate and execute strategies in dynamic environments.

Integrating these perspectives, however, presents significant methodological challenges. Capturing the dynamic interplay between deliberate planning and emergent adaptation requires longitudinal data that tracks the evolution of strategies over time (Ketchen et al., 2007). Furthermore, disentangling the causal relationships between strategic actions and outcomes is complicated by the inherent causal ambiguity of many strategy variables (Swan & Rink, 1982). For instance, it can be difficult to determine whether a firm's success is due to its carefully planned strategy or to fortuitous circumstances. Finally, measuring key strategy variables, such as

organizational capabilities and competitive dynamics, often poses significant measurement challenges (Leiblein & Reuer, 2020).

II. LITERATURE SURVEY

The dichotomy between planning and pattern in strategic management has been a persistent theme in the literature. The planning school, rooted in rational choice theory, emphasizes deliberate, analytical processes in strategy formulation. Mintzberg critiques this perspective, arguing that strategies often emerge from unplanned actions and patterns of behavior. Quinn introduces the concept of logical incrementalism, suggesting that strategies evolve through a series of small, incremental decisions rather than grand, pre-conceived plans.

Porter's work on competitive strategy exemplifies the planning school, providing frameworks for analyzing industry structure and formulating competitive positioning. Conversely, the resource-based view shifts the focus to internal resources and capabilities as sources of competitive advantage, acknowledging the emergent nature of strategy as firms discover and leverage their unique strengths. Dynamic capabilities theory further emphasizes the importance of adapting and reconfiguring resources in response to changing environments, highlighting the dynamic interplay between planning and pattern.

The methodological challenges associated with integrating these perspectives have also been addressed in the literature. Eisenhardt advocates for case study research as a means of capturing the complexities of strategic processes, while longitudinal studies (e.g., Leonard-Barton, 1992) provide insights into the evolution of strategies over time. Addressing causal ambiguity requires sophisticated statistical techniques and careful consideration of alternative explanations.

This research builds upon this existing literature by proposing a framework that explicitly integrates the planning and pattern perspectives, emphasizing the role of dynamic capabilities in bridging the divide. The framework acknowledges the importance of both deliberate planning and emergent adaptation in shaping organizational strategy, providing a more nuanced and comprehensive understanding of strategic management processes.

III. AIM AND OBJECTIVES

The aim of this research is to develop a framework for integrating the planning and pattern perspectives in strategic management, providing a more holistic and dynamic understanding of how strategies are formed and implemented.

To achieve this aim, the following objectives are pursued.

1. **Review and synthesize existing literature:** Critically examine the core tenets of the planning and pattern schools, identifying their strengths, limitations, and points of convergence.
2. **Develop an integrative framework:** Propose a framework that bridges the planning-pattern divide, incorporating elements of both deliberate planning and emergent adaptation. This framework will emphasize the role of dynamic capabilities in enabling organizations to effectively navigate complex and changing environments.
3. **Address methodological challenges:** Explore methodological approaches for capturing the dynamic interplay between planned and emergent strategies, including the use of longitudinal data, qualitative case studies, and advanced statistical techniques.
4. **Propose future research directions:** Identify promising avenues for future research that can further refine and validate the integrative framework, contributing to a more comprehensive understanding of strategic management.

By addressing these objectives, this research seeks to advance the field of strategic management by providing a more integrated and dynamic perspective on the interplay between planning and pattern in shaping organizational strategy.

IV. STRATEGY IN EARLY 2000 AND TILL DATE

3.1 Strategy as “pattern”

A major new thrust of strategic management research in this era was the area of global strategy. This was a reflection of the globalization of the world economy and the dramatic increase in international business activities. Globalization brought with it new issues and challenges that strategic management scholars have to deal with. Several aspects of our dominant research paradigm and research methods may need to be reconsidered if the complexities of international strategic management activities are to be captured fully. For instance, Peng et al. (2008) charged that current approaches in strategic management the RBV and the industry-based view were not adequate on their own to capture the complexity of strategic management at a global level because they neglected the role of institutions in international business strategy. Another critique of RBV came from the landmark study of Teece et al. (1997) which puts “dynamic capabilities” as a helpful resource rather than the static VRIO framework of RBV in the current complex globalized business world. Thus, one of the most fundamental questions confronting international business strategy researchers was: “What determines the success and failure of firms around the world?” (Peng et al., 2008). The quest to find an answer to this question had invigorated strategic management research and sparked a number of debates over the antecedents and outcomes of global strategic management. The level of complexity faced in this era marked a significant shift of research scholars from “pattern” to “plan” research, to find answers to gaps which could not be filled by the scholars of “strategy as pattern.”

3.2 Strategy as “plan”

In the 21st century, the management of knowledge resources was the key problem. The knowledge-based view (KBV) of the firm suggests that the firms need to be flexible under uncertain conditions to respond rapidly to unknown circumstances (Miller, 2002). For example, human resource capital is prepared to be innovative, proactive and at risk, strengthening the knowledge-performance relationship. (Centobelli, Cerchione, & Esposito, 2018; Wiklund & Shepherd, 2003). Analysis of employees' interaction of skills, awareness and expertise, discovered that a proper alignment with strategic position of the firm has an impact on the efficiency in service organizations (Skaggs & Youndt, 2004). In his research, Ray et al. (2004) stated that firms can take a disaggregated measure of their achievements in some activities and still can be disadvantaged in others. He asserted that firms face an even more complex new environment in which information, the effect of technologies, deregulation, developing competitive skills, employment patterns and growing knowledge as their key economic resource are becoming ever more crucial. Most of the developed economies around the world are now known mainly for value creation and value addition rather than increasing the scale and range of static capital by promoting innovations (Teece, 2000). Information networks have obsolescently reduced cost benefits, resulting in an outsourcing explosion, conglomeration and the creation of financial partnerships, and knowledge-based networks. This is aptly the focus of a new paradigm that has emerged “Chaos Theory” (Harris, 2018; Thietart & Forgues, 1995) which emerged because of the coupling of counteracting forces. Organizations are potentially chaotic (Ali, 2003). It says that the path from organizational stability to chaos follows a discrete process of change. When the organization is in the chaotic domain, small changes can have significant consequences that cannot be predicted in the long term. From chaos, new stabilities emerge, the strange attractors, which are assimilated to organizational configurations (Bonabeau, 2002). Similar patterns should be found at different scales. Finally, during one single organizational life span or between two different organizations, similar actions should never lead to the same result. As a result, traditional firm boundaries become more and more blur regarding the flows of resources, across the world products, and the emergence of new economies is reflected in the global market. Defining the competitive advantage is becoming more difficult as it is based on velocity, innovation, service, customization, quantity, size, and low costs. As newcomers typically invade their markets with disruptive technologies, it is not possible for established firms to compete solely for sustainable technologies.

IV. RESULTS AND DISCUSSION

After the extant literature reviewed above and before we move to our stand on the issue, the point of consideration at this stage is the huge gap that exists, as far as two sects of scholars “plan” and “pattern” and their research agendas are concerned. It is worth noting that closing the gaps in the literature will pose significant methodological challenges. First, questions related to path dependencies will mainly require detailed firm and industry level data over long periods. Second, many of the underlying strategy variables used are causally ambiguous, and therefore difficult to measure. Relating corporate strategies to firm performance is a challenging task, especially in light of the time lags between cause and effect, and given that,

within a single industry, there are many different viable competitive strategies. Also, the ever-changing dynamism of the environment, technology and chaos, warrants further research by integrating and contrasting various theories and developing more sophisticated and complicated models for causal structures of strategic management.

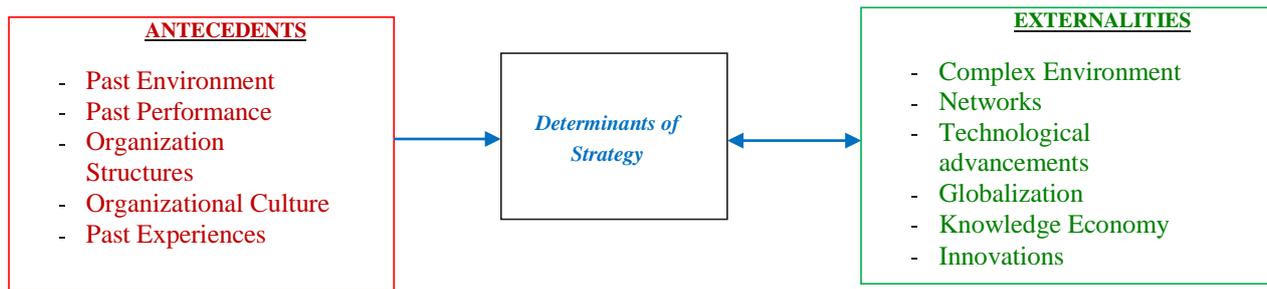


Figure 1. Determinants of strategy

On the other hand, till date, researchers following a contingency approach have not included the history of strategic activity as contingency variables, so there is relatively little understanding of how past strategic decisions influence performance. Thus, according to us, a research paradigm which incorporates both the antecedents of organization, future risk and opportunities in the environment will be beneficial and more holistic for the corporate world. This will, as well, bridge the ever-increasing gap between academicians and practitioners. This paradigm should assist in uncovering the influence of the top management teams, organizational processes, culture, and policies at multiple levels leading to technological innovation, strategic partnerships, and networks. Such collaborations lead to complex interactions between antecedents, corporate strategy, externalities, and the consequences. Figure 1 provides the two sects of research which should merge together for advancement of strategic management understanding

4.1 Corporate strategy: Antecedents

Timing of strategic adaptation to the environment in the past can provide a useful, tested framework to craft future strategies. It also helps to anticipate changes beforehand and avoid shocks. The characteristic of changes should be valuable to the firm to gain a competitive edge (Ongsakul, Parameswar, & Dhir, 2019). This could determine the speed and impact of future change and thus increase the flexibility and come over the inertia or rigidity of past (Greve, 2011). Past performances can determine the flexibility required for future strategies by overcoming the past culture prevalent in firms. The learning curve helps a firm to determine the inner strength and weaknesses and thus leverage or rectify the same, respectively. Firm's resources and core competency of the firms can be a useful criterion to develop dynamic capabilities around the resources and gain competitive advantage. Past structures of organization, too, could assist organizations to judge whether they need to change that or build their strategies around them. It helps to overcome limited managerial capabilities and improve the sustainability of competitive advantage or create one.

4.2 Corporate strategy: Externalities

The corporate strategy has a two-way interaction (as shown by the two-way arrow in Figure 1) with the “externalities” which, in current times, is ever more dynamic and requires a major restructuring of theories and researches conducted till date. The need of the hour is to integrate major theories with other theoretical perspectives as real options, firm networks, innovations, and economy of transaction cost to show the effects of complex environments and technologies on the selection of governance modes. In order to address the current business scenario, a combination of agency and behavioral views is required to examine the relationships in internationalizing firms between corporate behavior and corporate governance. Knowledge must be seen as part of a complex network of portfolios of impacts, relationships, and capabilities and not as an isolated intangible resource to realize its full potential (Akbar, 2003). “Investments in environmental shaping and sense of understanding may affect the achievement of competitive advantages more directly than heavy investments in competitive information collection and organization systems (Danneels, 2010).”

4.3 Strategic Management in Next 10 Years and Implications for Managers

In future, parallel to the rapid technological change will be the increased challenge of corporate “globalization.” As firms compete in the global market, the competitive resources and positions of firms become more complex, and firms face new challenges. These factors will only increase the uncertainty of doing business in the coming few years. Hence, it will be more difficult for strategic management researchers to examine research questions using a single mindset of “plan” or “pattern.” Increasingly, researchers should integrate both “content” and “processes” of strategic management as well as, different current issues and theoretical frame- works to explain complex international and domestic strategic issues.

Managers need models for understanding the organizational and environmental backgrounds and outcomes of comprehensive but uncomplicated categories of knowledge and new learnings. Typologies of these factors should differentiate between actual and potential assets, separate procedures of exploration and strengthening of exploitation, and different combinations of tacit and explicit knowledge. In order to encourage innovation and other competitive advantages, managers should be able to define how these variables operate. New typologies should assist managers to anticipate both the short and the long-term outcomes of different combinations

V. CONCLUSION

This research has argued for the necessity of integrating the "planning" and "pattern" schools of thought within strategic management. By acknowledging the interplay between deliberate, rational decision-making and emergent strategies arising from complex interactions, a more comprehensive understanding of organizational strategy can be achieved. While this integration presents methodological challenges, particularly in capturing the dynamic interplay between planned and emergent processes and addressing the causal ambiguity of key variables, the potential benefits for the field are substantial. The proposed framework, emphasizing dynamic capabilities and the interplay of intentionality and emergence, offers a promising avenue for future research and contributes to a more nuanced and dynamic perspective on how strategies are formed and implemented in complex and evolving environments. Further research employing longitudinal data and advanced statistical techniques is crucial for refining this framework and empirically validating its implications for strategic management practice.

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